

SCOPING NOTICE

INFINITY OIL & GAS OF WYOMING, INC. AND WILLIAMS PRODUCTION RMT COMPANY SOUTH PINEY NATURAL GAS DEVELOPMENT PROJECT

**Bureau of Land Management
Pinedale Field Office**

DESCRIPTION OF PROPOSAL

Infinity Oil & Gas of Wyoming, Inc. (Infinity) and Williams Production RMT Company (Williams) (hereafter called “the companies”) have notified the Bureau of Land Management (BLM), Pinedale Field Office, of proposed plans to develop their oil and gas leases in the South Piney area of Sublette County, Wyoming. The area of proposed development encompasses approximately 31,230 acres within the Pinedale Field Office management area. Approximately 15,440 acres are both federal surface and mineral estate managed by the BLM. Another 1,760 acres are owned by the State of Wyoming (State surface and minerals). The remaining 14,030 surface acres are in private (fee) ownership, with 11,413 acres of “split estate” (private surface/federal minerals) lands and the remaining 2,617 acres of mineral estate in fee (private) ownership.

The South Piney Natural Gas Development Project area is located in the southwestern corner of Sublette County, Wyoming, approximately 12 miles west of Big Piney/Marbleton, 18 miles northwest of LaBarge, and approximately 28 miles southwest of Daniel. Drilling is proposed in Townships 29 and 30 North, Range 114W, 6th Principal Meridian (Figure #1). Access to the South Piney area is from U.S. Highway 189, Wyoming Highway 350, Sublette County Road #23-142 and existing roads/trails in the overall project area.

Portions of the South Piney project area are included in the Riley Ridge Unit. In addition, Williams Production RMT Company has applied to the BLM for approval of the Miami Ditch Unit covering acreage within the northern portion of the overall project area. The entire project area is within the overall area analyzed in conjunction with the Riley Ridge Natural Gas Development Project Environmental Impact Statement (BLM/USFS 1984).

The companies propose to drill a minimum of 100 to a maximum of 210 natural gas wells within the overall project area. Infinity will be drilling wells to a maximum depth of 5,000 feet to test the potential of the MesaVerde Formation for methane production from interbedded coals in the MesaVerde. Williams will be drilling wells to a maximum depth of 10,000 feet to test the potential of the Frontier Formation for natural gas production. The project area currently has 5 wells producing from coal seams in the Mesaverde Formation, 1 well currently producing from the Frontier Formation, 1 water disposal well, and 4 shut-in/temporarily abandoned deep Madison Formation gas wells. The companies’ proposal includes a drilling program based upon a 160-acre spacing pattern (4 wells per section) for both the MesaVerde and Frontier Formations. Both Infinity and Williams have a joint interest in approximately 9,680 acres and development in this area could result in the drilling of up to 8 wells per section (4 wells to the MesaVerde and 4 wells to the Frontier, located on a common 160 acre spacing pattern). The remainder of the overall project area would see either MesaVerde or Frontier development at the rate of 4 wells per section as indicated above. Williams currently has approval to drill 2 additional Frontier wells and it is anticipated that these 2 Frontier wells will be drilled in the fall of 2002.

The planned development would include the following associated facilities:

- Equipment anticipated on each well location: separator, dehydrator, and production/water storage tanks. MesaVerde well locations would also require a surface-pumping unit for dewatering of the coal. Infinity anticipates the need to install up to 20 central production facilities (POD's) within the overall project area for the collection and compression of methane produced from wells in the well field, as well as water collection and disposal.
- To each well location: access road and a buried gas line. MesaVerde wells would also require a buried line for transportation of produced water to a central disposal facility. The water line would be laid in a common trench with the gas line.
- Natural gas transmission pipelines: up to 4 pipelines going generally east from the project area to a tie-in with an existing 4" gas transmission line located in Section 1, T29N, R114W. As the project develops, the existing 4" gas transmission line may need to be either looped or replaced with a larger diameter line to handle the volume of gas anticipated to be produced from the well field.
- Infinity expects to install small reciprocating compressors at each of the individual MesaVerde POD's within the well field for compression of methane produced from individual wells therein. Williams anticipates the need for a single, centralized compressor station for the compression of natural gas produced from the Frontier Formation.
- Drilling and completion of a water disposal/injection well at each of the POD's for the subsurface disposal of water produced from the MesaVerde Formation.

The companies propose to drill an average of 30 wells per year over an approximate 7-year period. After consultation with US Fish and Wildlife Service for threaten and endanger species, BLM may authorize additional delineation wells while the environmental document is being prepared, providing there is no potential for significant impacts and BLM's ultimate decision would not be compromised. Results from additional delineation wells will assist the companies in determining the actual level of development to achieve mandates of ultimate maximum recovery of federal mineral resources.

RELATIONSHIP TO LAND USE PLANS AND OTHER ENVIRONMENTAL DOCUMENTS

Pinedale Resource Management Plan Environmental Impact Statement and Record of Decision (RMP/EIS/ROD) (1988) - The proposed project would take place within the area covered by the Pinedale RMP/EIS/ROD. The Pinedale RMP provides land use guidance for the development of oil and gas reserves within this area. The proposed development is in conformance with the guidance provided by this plan. The environmental analysis will incorporate relevant provisions from the plan.

Riley Ridge Natural Gas Project Environmental Impact Statement and Record of Decision (RRNGP/EIS/ROD)(1984) - The Riley Ridge Natural Gas Project included the construction, operation, maintenance and abandonment of a deep well gas field in an area that includes the proposed South Piney Project. It also included gathering lines, transmission lines, treatment plants, gas sales pipelines and facilities for handling and transportation of by-products to markets. Many of the same environmental concerns addressed in the Riley Ridge EIS are the same as those to be addressed in the South Piney EIS.

Finding of No Significant Impact and Decision Record for Infinity Oil and Gas of Wyoming, Inc.'s Coal Bed Methane Pilot Test Project, Sublette County, Wyoming (2001) - This document analyzed the impacts of a 4 well pilot project proposed in the South Piney Project area to determine the feasibility of coal bed methane exploration and development in the Upper Cretaceous MesaVerde coals. The initial pilot project was proposed and approved on a reduced (40 acre) spacing pattern in order to facilitate dewatering of the coal and acceleration of gas production in order to evaluate the feasibility of commercial development of the coal bed methane resource. The same environmental concerns addressed in the EA are those that must be addressed in the South Piney EIS.

Big Piney-LaBarge Coordinated Activity Plan Environmental Assessment and Decision Record (CAP/EA/ROD) (1991) - Although the proposed project does not occur within the CAP area, the CAP analyzed natural gas development activity on an 80-acre spacing pattern and contains pertinent information regarding management considerations for minerals development and operations, soils and watershed, air quality, transportation, rights-of-way, reclamation and monitoring, socio-economics, and construction and reclamation guidance that would apply to this project area.

Lease Stipulations - Most of the leases within the South Piney Project area include special stipulations for occupancy. These special lease stipulations are in addition to the standard lease terms and conditions. These stipulations are designed to protect surface resources such as soils, water, and wildlife by restricting periods of activity and or areas of disturbance.

Use Authorization - All facilities located on federal lands off-lease or beyond the gas metering point(s) would require a right-of-way under the proper authority. Individual roads, pipelines and ancillary facilities would be authorized by sundry notice instead of right-of-way inside unitized areas or on split-estate lands.

COMPLIANCE WITH THE NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)

The companies proposed development is subject to the appropriate level of environmental analysis. To comply with NEPA and the Council on Environmental Quality (CEQ) regulations that implement NEPA, the BLM is required to conduct an environmental analysis. The environmental document will serve two purposes: first, it will provide the public and governmental agencies with information about the environmental consequences of the proposed action and alternatives; and second, it will allow the public and various agency officials to evaluate the significance of the environmental consequences of the proposed action and alternatives.

Public input is important in establishing the scope of the analysis. Based on the concerns over direct, indirect and cumulative impacts, BLM has initiated a Memorandum of understanding with the companies to begin the preparation of an environmental impact statement using a third party contractor.

LAND AND RESOURCE MANAGEMENT ISSUES AND CONCERNS

An interdisciplinary team of resource specialists will be involved in the analysis of the environmental impacts of the proposed action. The team will include a wildlife biologist, fisheries biologist range conservationist, surface and groundwater hydrologist, an air quality specialist, a cultural/historic specialist, soils/reclamation specialist, and petroleum and civil engineers. The need for other resource specialists will be determined upon final review of comments received from the public, as well as responses received from state and other federal agencies to this scoping notice.

Land and resource management issues and concerns raised with preliminary internal scoping and which would be analyzed in detail in this environmental analysis include the following:

- Air quality and potential impacts to downwind Wilderness Areas.
- Potential impacts to federally listed threatened, endangered, proposed and candidate plant and animal species.
- Potential impacts to Colorado cutthroat trout.
- Potential impacts to the Finnegan elk feed ground.
- Potential impacts to surface and groundwater resources.
- Revegetation and restoration of short-term disturbances and long-term stabilization, and control of noxious weeds.

- Potential impacts on cultural resources (both prehistoric and historic resources including historic trails).
- Social and economic affects to the local communities (increased federal, state, and local revenues).
- Potential impacts to wildlife and fish habitat.
- Potential impacts to nesting raptors.
- Potential impacts on wetlands and/or riparian areas.
- Hazardous substances.
- Compatibility with management plans and objectives.
- Potential impacts to Visual Resource values
- Potential impacts to recreation

PUBLIC PARTICIPATION

The public scoping meeting will be held at the Fire Hall in Marbleton, Wyoming at 6:30 PM, on Monday, February 24, 2003. BLM will be soliciting representatives from affected interests and stakeholders to participate in the South piney environmental analysis process. This is an attempt to incorporate public involvement at the earliest stages in conformance with the National Environmental Policy Act (NEPA) and Council on Environmental Quality (CEQ) guidelines.

BLM is requesting the public's help in identifying alternatives for analysis, issues or concerns that should be analyzed, and any other comments or ideas to help increase the efficiency of the analysis process. Your comments, questions, or concerns are encouraged and can be submitted at the public scoping meeting or in writing if you cannot attend. Comments should be received by April 1, 2003. Please submit your comments to:

South Piney EIS
Bureau of Land Management
Pinedale Field Office
P.O. Box 768
Pinedale, WY 82941

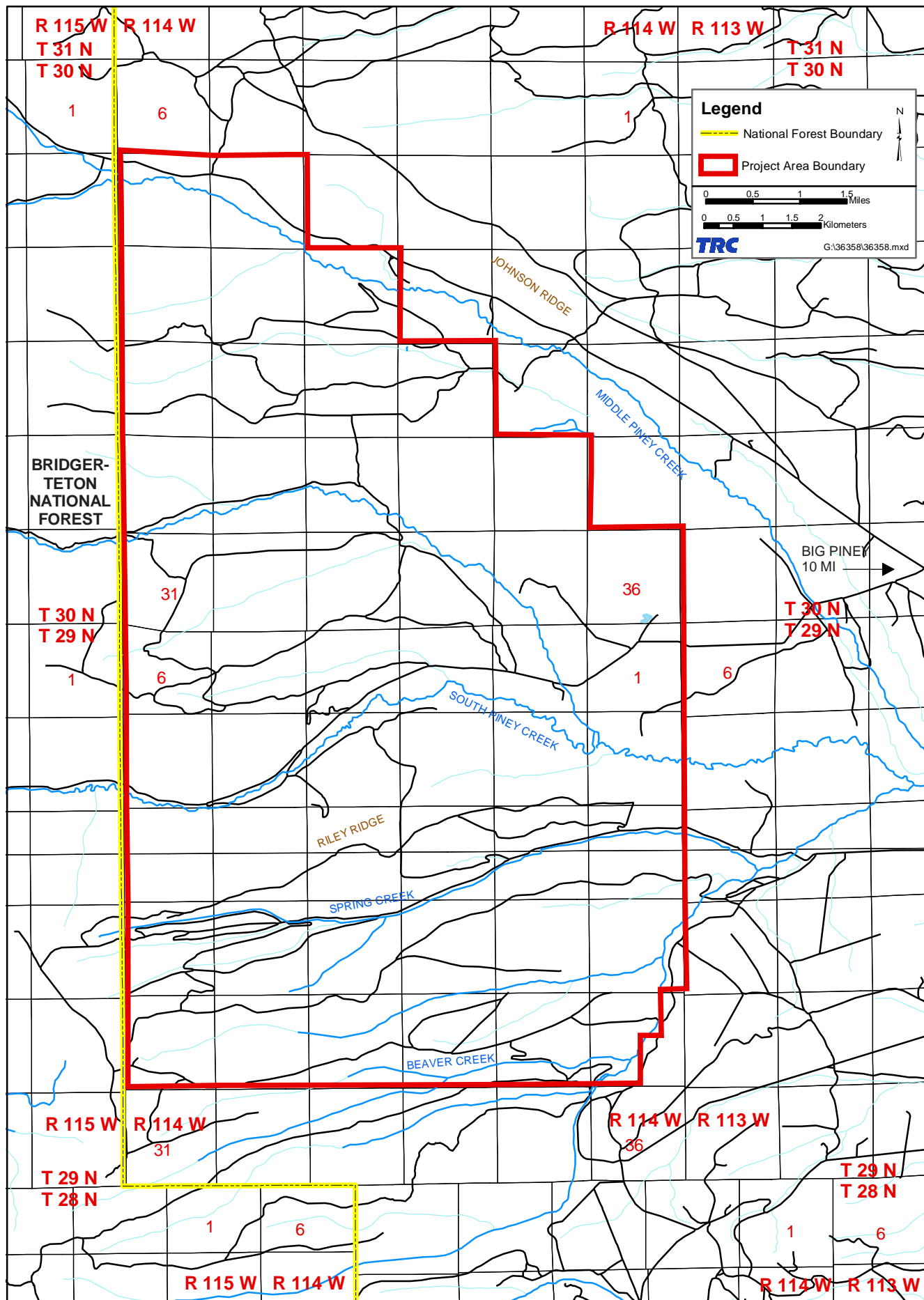


Figure 1